



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/903,284	07/11/2001	Ellen Barbara	CITI0230	9290
27510	7590	04/29/2004	EXAMINER	
KILPATRICK STOCKTON LLP 607 14TH STREET, N.W. SUITE 900 WASHINGTON, DC 20005			FULTS, RICHARD C	
		ART UNIT	PAPER NUMBER	
			3628	

DATE MAILED: 04/29/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)
	09/903,284	BARBARA ET AL.
Examiner	Art Unit	
	Richard Fults	3628

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) Responsive to communication(s) filed on 14 January 2004.

2a) This action is **FINAL**. 2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) Claim(s) 1-11,17-44 and 50-72 is/are pending in the application.
4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5) Claim(s) _____ is/are allowed.

6) Claim(s) 1-11,17-44 and 50-72 is/are rejected.

7) Claim(s) _____ is/are objected to.

8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) All b) Some * c) None of:
1. Certified copies of the priority documents have been received.
2. Certified copies of the priority documents have been received in Application No. _____.
3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) Notice of References Cited (PTO-892) 4) Interview Summary (PTO-413)
2) Notice of Draftsperson's Patent Drawing Review (PTO-948) Paper No(s)/Mail Date. ____ .
3) Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date. ____ .
5) Notice of Informal Patent Application (PTO-152)
6) Other: ____ .

DETAILED ACTION

This Office Action is responsive to Applicant's amendment and request for reconsideration (Paper No. 17) of this application filed July 11, 2001. The amendment filed January 14, 2004 amended claims 1, 34, and 72, and canceled claims 12-16, 45-49. Accordingly claims 1-11, 17-44, and 50-72 are presented for examination on their merits.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. Claims 1-11, 17-44, and 50-72 are rejected under 35 U.S.C. 103(a) as being unpatentable over Schutzer (US 6,292,789 B1) in view of Sun Trust.com, February 8, 1999, Internet, (hereinafter Sun) and Nelson, Quicken '99 for Windows for Dummies, 1998 (hereinafter Nelson) and Schrader et al (US 5,903,881) (hereinafter Schrader) and X.com, March 2, 2000 and PayPal.com, March 3, 2000.

3. Applicant has generally claimed a prior known on-line payment system using what was by then a standard or optionally available combination of accounts and features. **Schutzer** discloses (see at least columns 1-30, but in particular cols 11-13)

either explicitly or as being obvious all of the elements of claims 1-72 regarding on-line bill payments and purchases, international payments, transaction accounts (bank checking accounts used for a payment service), multiple service levels, off-line payments and purchases, cash withdrawals, credit card account payments, receiving enrollment information and account designation, maintaining funds in accounts, providing the transaction account for the user with at least one of the plurality of service levels further comprises providing the transaction account for the user with a first level service that includes a person-to-person payment service enabling the user to receive and send funds from the user's transaction account (checking account), a save for later feature (savings account) enabling the user to accumulate a balance of funds in the user's transaction account for later use, and a held money feature for retaining funds (commonly automatically calculated as part of the account balance until the check is actually presented for payment) in the user's transaction account which the user has designated to be sent to a recipient but which has not yet been picked up by the recipient (account balance based on checks actually cashed), providing the transaction account for the user with a second level of service that includes all features of the first level of service plus an access card (debit card) enabling the user to access funds in the user's transaction account for off-line transactions, and providing the transaction account for the user with a third level of service that includes all features of the first and second levels of service plus a credit line enabling the user to access both line of credit funds (credit card or overdraft protection) and accumulated balance funds in the transaction account (uncashed checks). Many of the above elements are inherent in the operation of an account that is the source account for a customer's payment service. Schutzer does not disclose the complete details of enrollment, banking, international payments, and a transaction (debit) card.

Sun discloses through obviousness (see pages 1-2) all of the elements of claims 1-11, 17-44, and 50-72 regarding on-line banking, personal banking, several levels of banking service including debit accounts and money market accounts (deposit account), savings accounts (save for later) and checking accounts (transaction accounts and deposit accounts) and account numbers, credit card accounts and credit lines (credit

line), access and transaction cards (ATM cards used at an ATM), bill payment services, fund transfers and ABA numbers, international payments, and conducting and viewing banking activities over the internet. It is noted that the historical documentation for Sun includes a very broad list of financial services, including payment services, then offered online and displayed via the internet.

Nelson discloses (see pages 26-27, 96-111, 130-136, and 259) all of the elements of claims 1-11, 17-44, and 50-72 regarding on-line bill payments, separate accounting for cleared and uncleared checks (held money features), additional accounts including petty cash, savings, and liability (save for later feature), the inherency of fund transfers including ABA numbers, account numbers, and a person to person payment service (user sending and receiving funds out and into their transaction account).

Schrader discloses (see at least cols 1-22, but in particular cols 1-7) claims 23-24, 32, 56-57, and 66 regarding save for later and held money portions of the transaction account, as it is obvious in his uncleared checking account balance for it to become not only the held money portion of the transaction account but also the save for later portion, by writing a check not intended to be cashed (for the purpose of savings), all within the checking (transaction) account.

X.com discloses (see pages 1-10) claims 1-11, 17-44, and 50-72 regarding the use of transaction cards through enrollment in the system (to make off-line purchases), the ability to transfer money between bank accounts, and the use of a checking account to fund the X.com transaction account. It also discloses the then pending merger with **PayPal** which then created the world's largest secure network for instant online payments from anyone anywhere, business or individuals, and the fact that several companies were then providing customer convenient online money transfer systems. Claim 1 simply describes a standard checking account coupled to an online payment system, using the checking account as a funds source.

PayPal discloses (see pages 1-5) an enrollment in and operation of a real time online payment system using credit card accounts, bank accounts (including checking) and checks to fund their transaction account, and the option to use a check as payment instead of the normal electronic transfer of funds.

4. **Claims 1-11, 17-44, and 50-72** are rejected under 103(a) as obvious over Schutzer in view of Sun and Nelson and Schrader and X.com and PayPal.com. Because it would have been common and advantageous and provided a much more comprehensive and efficient system of conducting on-line payment and banking services with integrated accounts and services it would have been obvious to one skilled in the art at the time of the invention to add the teaching of Sun, Nelson and Schrader and X.com and PayPal.com to those of Schutzer, and to add those of Schutzer to those of the others for the same reason.

Obvious and well known in all of the above is the fact that **Sun** was then one of the top ten banks in the country and obviously had to offer competitive off-line and on-line, and in combination, checking and saving accounts and credit/debit cards and other then standard banking services such as overdraft protection, including bill payment services and ATM cards for use in ATMs (access and transaction cards), which had been aggressively offered by banks and could be selected as desired by the customer and used for virtually whatever use and intended payment/deposit the user cares to make, and to whomever they choose, either on-line or off-line, in whatever amount their balance or credit limit will allow, either to pay credit card balances or to use the credit line to make payments or deposits, whether it be in US or foreign currency, and once created there is no prohibition (unless contrary to an express agreement between the bank/service and the customer) against maintaining however much money in their accounts they choose.

It is also obvious in opening an on-line banking account(s), including with an institution that offers bill payment services or any other organization operating a payment service, that all of the "know your customer" rules apply to the information required to open the account and to enroll in the payment service, and that all needed transaction identification usernames and passwords will be agreed to at the time of account opening/payment system enrollment and conveyed to both, such that

transaction validation may be accomplished and information regarding dispute resolution is exchanged. In such an enrollment process it would have also been obvious to receive the instructions and transmit the answers, and to have included the selection of a level of service, the source account(s) for the funds transfers, the users ID references (and email address) and to do so online through a customer's personal computer terminal using standard graphic interfaces and all other standard computer operating procedures, apparatus, software, and the internet.

It is also obvious and well known that all payments out of the customer accounts will only be done upon either current or prior instructions from the customer, that fund transfers will commonly require a back end validation to confirm that the user is the owner of the payment source account, that credit lines such as loans or overdraft features can be arranged upon request to flow into the checking account (transaction account), and that any credit card transactions will commonly involve providing information regarding the card number, the expiration date, some type of identification identifier, and an a payment authorization from the card issuer.

It would have been obvious to one skilled in the art at the time of the invention to have used an on-line banking checking account as the transaction and hub account for an on-line payment service, and to have used any one of the following as a save for later feature: 1) a savings account, 2) a check to cash recorded in the petty cash account, or 3) an unissued check notation in the transaction checkbook regarding a set-aside for a save for later amount that would not be cashed but would become a held money amount. It would have been equally obvious to use a checking account number as a method of making payment for a purchase, to use a debit card to make charges to a checking (transaction) account for purchases, payments, and fund transfers, for the user to provide instructions to the financial institution regarding any fund transfers involving either the transaction account or the credit line, and for there to be an identification/validation process upon request for any transaction involving those two sources of funds, as the above were all common practices at the time of the invention.

It would have been obvious to one skilled in the art at the time of the invention to offer to pay a payee not enrolled in the payment system with a check as a customer

convenience to the subscribers in the payment system. It is noted that payments made from a transaction account backed by a credit account would obviously have its transactions recorded as payments rather than cash advances (which is what PayPal did). It is also very obvious when sending a payment that the user designate the account/email address of the payee as a necessary step, and it is equally obvious that the payment system will transfer the funds as directed. **It would have been equally obvious to one skilled in the art at the time of the invention to combine any or all of these above described features in any conceivable combination that suited the needs of their customers.**

It would have been obvious to one skilled in the art at the time of the invention, as the **Schutzer** payment system utilizes the internet which is an international network for international financial transactions, for any internet online payment system to include various online options for methods of payment common for international transactions and include screen prompts for those options including the selection of currency and display of exchange rate and any special related fees because it was common and advantageous to do so.

5. Response to Applicant's Arguments

The applicant states that the references do not teach the applicant's claimed invention. As stated previously above, claim 1 only claims a standard checking account coupled to an online payment system and multiple common banking services in combination: which is by definition the applicant's claimed invention. Many references, including those cited above, teach that concept well before the date of this application. PayPal started business in 1999, and Checkfree started in 1981. In many ways this application reads like a group of press releases issued by the several providers of these various services years beforehand regarding either current operations or planned new features.

The obviousness issues raised in this action are based on the great abundance of online payment services previously offered by a very large number of providers, including several that look very much like the basis for this

application. So many of them that the term "common practice" which the applicant objects to seems highly appropriate. PayPal alone is almost the ideal example of this application already in wide usage. The last paragraph in the applicant's argument in describing the applicants claimed invention very appropriately describes the PayPal system.

Sun has taken the place of the Citibank.com reference and teaches the same combination of off-line and on-line service elements, as it was a close banking competitor. Old and well known standard banking services in combination offer virtually all of the features claimed; save for later, held money, credit/debit cards, overdraft protection, using up a debit balance prior to drawing down a credit line, etc. Whatever combination of services, including payment services, not covered by that is covered by Paypal and X.com.

6. The prior art of record, although not cited above, is considered pertinent to one or more of the Applicant's claims:

Knight et al (US 5,383,113 A), which teaches the online payment system of Checkfree from 1991.

Checkfree.com, February 29, 2000, which teaches an online payment system as of that date.

X.com (WO 00/67177 A2), which teaches the state of the art for online payment systems as of April 28, 2000.

7. **Note** is taken by the examiner that should the applicant find objectionable any statements made herein by the examiner regarding obviousness or Official Notice, Applicant can make a proper challenge to those statements only by providing adequate information or argument so that on its face it creates a reasonable doubt regarding the circumstances justifying those statements: a simple response requesting a reference without doing so, or a response that fails to logically refute the basic assumptions underlying the justification, will result in an improper and failed challenge and those unchallenged statements will remain the record of the case. Applicants must

seasonably challenge those statements in the first response following an Office Action. If an applicant fails to do so, his right to challenge them is waived.

8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Richard Fults whose telephone number is 703-305-5416. The examiner can normally be reached on weekdays from 8:30 to 5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung Sough, can be reached on (703)-305-0505. The fax phone number for the organization where this application or proceeding is assigned is 703-305-35979.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.



RCF

4/16/2004



JEFFREY PWU
PRIMARY EXAMINER